



## Calculator for Retirement Benefits

State Form 3240 (R10/1-02)  
Approved by the State Board of Accounts 2002

Indiana State Teachers' Retirement Fund  
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|  |  |
|--|--|
| <p>Members qualify for <u>full</u> retirement benefits:</p> <ol style="list-style-type: none"> <li>1. At age 65 with 10 years of service</li> <li>2. At age 60 with 15 years of service</li> <li>3. At age 55 to 59, if age and service combine to equal 85</li> </ol> | <p>Members qualify for <u>reduced</u> retirement benefits:</p> <ol style="list-style-type: none"> <li>1. At age 50 with 15 years of service</li> </ol> |
| <p>Members with 5 or more years of experience who become disabled while serving under the Fund may apply for <u>disability</u> benefits.</p>   |  |

### Pension Benefit Option

If you qualify at your desired retirement time by age and service for full pension benefits provided by the State:

1. Determine your average salary by dividing the sum of your five highest school year salaries (plus up to \$2,000 in retirement incentive) by five.
2. Multiply the average salary reached in (1) above by 1.1%; multiply the answer by the number of years that you served. This figure is the basic annual State Pension under the Option A-1, "Regular Form of Retirement."

$$\begin{array}{ccccccc}
 \$ & \underline{\hspace{2cm}} & \times & .011 & \times & \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Average Salary} & & & \text{FACTOR} & & \text{Years of Service} & & \text{Full State Pension, Opt. A-1}
 \end{array}$$

If you qualify for reduced pension benefits provided by the State because of age and service:

1. Calculate the full basic annual State Pension using the information listed above.
2. Find the "Early Retirement Factor Percentage" in the following chart:

|     |          |          |          |          |          |
|-----|----------|----------|----------|----------|----------|
| AGE | 59 = 89% | 57 = 79% | 55 = 69% | 53 = 59% | 51 = 49% |
|     | 58 = 84% | 56 = 74% | 54 = 64% | 52 = 54% | 50 = 44% |

3. Multiply the full basic annual State Pension by the Early Retirement Factor Percentage to get the "Reduced State Pension."

$$\begin{array}{ccccccc}
 \$ & \underline{\hspace{2cm}} & \times & \underline{\hspace{2cm}} \% & = & \$ \underline{\hspace{2cm}} \\
 \text{Full State Pension, Opt. A-1} & & & \text{Early Retirement Factor Percentage} & & & \text{Reduced State Pension}
 \end{array}$$

During your professional career, you have accumulated an "Annuity Savings Account" with the Indiana State Teachers' Retirement Fund. When you apply for retirement benefits, you may dispose of the balance in your Annuity Savings Account in accordance with one of four alternatives:

|                  |  |
|------------------|--|
| ALTERNATIVE I    | You may leave all of your Annuity Savings Account with the Fund. If you choose this option, the Fund will pay you an annual annuity in monthly payments, which is combined with your State Pension benefit each month.   |
| ALTERNATIVE II-A | You may have the total amount of your Annuity Savings Account (less the mandatory withholding for federal income tax) paid directly to you.  |
| ALTERNATIVE II-B | You may have all of the taxable portion of your Annuity Savings Account paid in the form of a direct rollover to an Individual Retirement Account or a Qualified Retirement Plan that has provisions allowing it to accept the rollover on your behalf. The non-taxable portion will be paid directly to you.  |
| ALTERNATIVE II-C | This alternative may be selected only if you want a partial rollover amount of at least \$500. Under this alternative, you may have a part of the taxable portion of your Annuity Savings Account paid in the form of a direct rollover to an Individual Retirement Account or a Qualified Retirement Plan that has provisions allowing it to accept the rollover on your behalf. The non-taxable portion will be paid directly to you. Also, the "part" of the taxable portion of the distribution that is not directly rolled over (less the mandatory withholding for federal income tax) will be paid directly to you. |
| ALTERNATIVE III  | You may receive a distribution of an amount equal to your tax basis (after-tax contribution) in your Annuity Savings Account balance as it existed on December 31, 1986 and receive the balance of the account as a monthly benefit.   |
| ALTERNATIVE IV-A | You may elect to defer distribution of your Annuity Savings Account until a later date. Your account will continue to be invested with the Fund under the same guidelines applicable to an Annuity Savings Account.  |
| ALTERNATIVE IV-B | You may elect to withdraw your non-taxable contributions of your Annuity Savings Account and leave your taxable contributions invested in the Fund for distribution at a later time.   |

**CONTINUED ON REVERSE SIDE**

To estimate the amount of an annual annuity paid in monthly installments and combined with your State Pension:

1. Estimate the amount of your Annuity Savings Account at your designated retirement date by combining the current balance with future deposits (3% of your salaries) and any interest that you expect to accrue in your account.
2. Remember, if you choose ALTERNATIVE III, your Annuity Savings Account will be reduced by the pre-taxed amount that you withdraw.
3. Multiply the estimated future amount in your Annuity Savings Account by the "Age Buying Factor" below to get an "Annual Annuity Amount."

| Age | Factor | Age | Factor | Age | Factor |
|-----|--------|-----|--------|-----|--------|
| 50  | .0825  | 57  | .0883  | 64  | .0974  |
| 51  | .0832  | 58  | .0893  | 65  | .0992  |
| 52  | .0839  | 59  | .0905  | 66  | .1010  |
| 53  | .0847  | 60  | .0917  | 67  | .1030  |
| 54  | .0855  | 61  | .0929  | 68  | .1051  |
| 55  | .0864  | 62  | .0943  | 69  | .1073  |
| 56  | .0873  | 63  | .0958  | 70  | .1097  |

\$ \_\_\_\_\_ + \$ \_\_\_\_\_ + \$ \_\_\_\_\_ = \$ \_\_\_\_\_  
 Present Account Balance      Future Deposits      Anticipated Accrued Income      Estimated Future Account Balance

\$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_  
 Estimated Future Account Balance      "Age Buying Factor"      Yearly Annuity Amount

#### Estimated Monthly Benefit from the Fund

\$ \_\_\_\_\_ + \$ \_\_\_\_\_ = \$ \_\_\_\_\_ + 12 = \$ \_\_\_\_\_  
 Yearly State Pension Amount      Yearly Annuity Amount      Total Yearly Benefit Amount      Monthly Benefit Amount

#### SPECIAL TAX NOTICE

Payment alternatives and option choices are one-time retirement decisions. The staff of the Teachers' Retirement Fund is dedicated to providing assistance to members as they make these important decisions. However, we strongly recommend that you consult with a professional tax advisor.

For an explanation of retirement options available from the Fund, please consult the "Retiring Member's Guidebook." This publication is available from our home page on the Internet [<http://www.in.gov/trf>] or from our Member Service Center at (888) 286-3544.